

FLD 88

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

This Document contains information affecting the National Defense of the United States, within the meaning of Title 18, Sections 793 and 794, of the U.S. Code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law. The reproduction of this form is prohibited.

**SECRET**  
SECURITY INFORMATION

COUNTRY	Hungary	REPORT	
SUBJECT	Forestry Administration	DATE DISTR.	28 August 1953
DATE OF INFO.		NO. OF PAGES	6
PLACE ACQUIRED		REQUIREMENT	
		REFERENCES	

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.  
THE APPRAISAL OF CONTENT IS TENTATIVE.  
(FOR KEY SEE REVERSE)

- 25X1 1. The State Forestry Operations Center (Allami Erdoegazdasagi Uezemi Koezpont), located in the building which formerly housed the Hungarian Air Force Headquarters on Kunfi Zsigmond utca, Budapest II, was commonly known as the Forestry Center (Erdoekoezpont).

- 25X1 2. [REDACTED]
- 25X1 Forestry Operations Enterprise of Sopron (Soproni Erdoegazdasagi Uezemi Vallalat), [REDACTED]
- 25X1 [REDACTED] it followed the same pattern as the Forestry Center, described at length below.
- 25X1 [REDACTED] Chief of the enterprise was (fnu) TRENKA, a former laborer from Gyöer. His administrative staff consisted of 30 persons.

SECRET/SECURITY INFORMATION

25X1

STATE	#X	ARMY	#X	NAVY	#X	AIR	#X	FBI		AEC			
-------	----	------	----	------	----	-----	----	-----	--	-----	--	--	--

(Note: Washington Distribution Indicated By "X"; Field Distribution By "#".)

**SECRET/SECURITY INFORMATION****Forestry Administration 1946 - May 1950**

3. In 1946 or 1947 all forests in Hungary were nationalized. Private ownership of even the smallest forest tracts was abolished. The administration of forestry was continued by the prewar institutions, namely the Ministry of Agriculture (Földművelési Minisztérium) and its subordinate organ, the Hungarian State Forest Administration (Magyar Állami Erdőhivatal --MALLERD), until May 1949 when MALLERD was replaced by the Forestry Center [see Annex A].
4. Along with the establishment of the Forestry Center under that reorganization, the Scientific Institute for Forestry (Erdeszeti Tudományos Intézet) located at Kunfi Zsigmond u. 38 - 40, Budapest II, was also set up, both subordinate to the Ministry of Agriculture. This Institute directed research in forestry through a number of experimental stations [redacted] were located in Sopron [4741N-1636E] and Budakeszi [4730N-1856E] respectively.
5. The Forestry Center was responsible for the management of the entire forest economy, i.e., maintenance of forests, reforestation, and exploitation of forests. [redacted] exploitation of Hungarian forests was limited. There was not sufficient lumber to cover domestic needs, and lumber was imported from Rumania and Finland.
6. For the domestic disposal of forest products the Sales Enterprise for Forestry By-products (Erdei Mellektermeket Ertekesítő Vállalat --EMERT) was set up at this time and subordinated to the Forestry Center. The main office of EMERT was located on Veres Pálné u. 17 Budapest V. It had several offices throughout the country.
7. The Forestry Center managed the forest economy through 13 forestry enterprises (vállalatok), each of which controlled three to eight warden stations (godnokságok), each headed by a forest warden (gondnok). There were about 60 warden stations in the country and about 50 lumber mills attached to these warden stations. The 13 forestry enterprises were located in the following towns: Debrecen, Eger [4754N-2022E], Győr [4741N-1738E], Kaposvár [4621N-1747E], Miskolc [4806N-2047E], Nyíregyháza [4758N-2143E], Pécs, Szeged, Sátoraljaújhely [4824N-2139E], Szombathely [4714N-1637E], Sopron, Vao [4746N-1908E], Zalaegerszeg [4650N-1651E].
8. The employees of the Forestry Center in Budapest numbered about 400 men and women, all administrative and office workers. The enterprises had on the average about 30 employees, and the forest stations about 10 each. In addition, each forest station employed about 200 to 300 laborers who cut trees, cleared the forests, replanted them, etc. There was a great turnover of labor because workers objected to the small wages paid for this type of work.
9. The Forestry Center was organized as follows, with all the divisions subdivided into departments, and these into sections, [redacted] A department consisted of a department chief, a chief clerk or referent, typists, clerks, and an office servant.
  - a. Chief of the Forestry Center -- István TOEMPE [redacted]
  - b. Deputy Chief of the Forestry Center [redacted]
  - c. Personnel Division (Személyzeti főosztály). This Division took care of all office personnel matters. Persons employed in the Personnel Division were chosen for their political reliability and were largely drafted from the workers' cadres. Chief of the Personnel Division was László PALIS [redacted]

**SECRET**

SECRET/SECURITY INFORMATION

-3-

- 25X1 [REDACTED]
- 25X1 The Production Division (Termelési főosztály) was responsible for the production of fuel wood, timber, and lumber. Chief of this Division was Imre BABOS
- 25X1 [REDACTED]
- 25X1 [REDACTED]
- 25X1 e. The Materials Circulation Division (Anyagforgalmi főosztály) took care of all the implements and materials needed in forestry enterprises. Chief of this Division was Jenő TAKÁCS
- 25X1 [REDACTED]
- 25X1 f. The Technical Division (Műszaki főosztály) took care of all the technical aspects of forestry enterprises. Chief of this Division was András MADAS
- 25X1 [REDACTED]
- 25X1 [REDACTED]
- 25X1 g. The Finance Division (Pénzügyi főosztály) took care of all the financial aspects of the Forestry Center itself and the enterprises. Chief of this Division was Antal KAISER
- 25X1 [REDACTED]
- 25X1 h. The Forest Cultivation Division (Erdőművelési főosztály) was concerned with forest cultivation, one of the important functions in present day forest-poor Hungary. Chief of this Division was János MAGYAR
- 25X1 [REDACTED]
- 25X1 [REDACTED]
- 25X1 i. The Enterprise Management Division (Üzemgazdasági főosztály) was concerned with the management of enterprise economy. Chief of this Division was György SZENDE
- 25X1 [REDACTED]
- 25X1 [REDACTED]
- 25X1 j. The Planning and Control Division (Terv-és ellenőrzési főosztály) was concerned with the preparation of production plans and production control. Chief of this Division was Gábor IBY
- 25X1 [REDACTED]

SECRET

## SECRET/SECURITY INFORMATION

-4-

10. [redacted] the Control Department of the Planning and Control Division [redacted] was staffed by 30 persons. Its chief function was the preparation, compilation, and coordination of plans for all 13 enterprises, their forest stations and lumber mills. The procedure was as follows:

- a. The general plan for the Forestry Center was outlined by the Forestry Administration in the Ministry of Agriculture. This outline plan was forwarded to the Forestry Center's Planning and Control Division for elaboration. The Planning and Control Division, on the basis of the general plan, sent instructions and official blanks to the 13 enterprises under its control charging them with the preparation of individual yearly plans in cooperation with their subordinate warden stations. When each enterprise completed its plan it sent it to the Planning and Control Division. All draft plans had to be submitted by the month of October for the following year. There was, however, so much confusion and inefficiency in the enterprises that this time limit was never observed and the plans were always delayed.
- b. The draft plans of all enterprises were coordinated in the Planning and Control Division and submitted for approval to the Chief of the Forestry Center. The Chief of the Forestry Center forwarded the approved plans to the Forestry Administration of the Department of Agriculture.
- c. After the plans were examined and approved in the Ministry of Agriculture they were submitted to the State Planning Office, where they came to the attention of the Forestry Referent for approval. When the plans were approved in the State Planning Office they were returned to the Ministry of Agriculture and through it to the Forestry Center and its Planning and Control Division, which distributed them to the respective enterprises. If the plans were not approved at any of these stages the whole procedure had to be started again from the beginning.
- d. The final plan of the Forestry Center and its enterprises, which was supposed to give a complete picture of forestry management in all its aspects, consisted of nine pages, typed in six copies, each page containing a separate item. The following items were in the final plan:
  - (1) Transportation Plan (Szallitasi terv)
  - (2) Expenditure Plan (Oenkoeltseg csoekkentesi terv)
  - (3) Technical Plan (Mueszaki terv)
  - (4) Manpower Plan (Munkaeroc terv)
  - (5) Wages Plan (Munkaber terv)
  - (6) Finance Plan (Penzuegyi terv)
  - (7) Forest Cultivation Plan (Erdoemuevelesi terv)
  - (8) Production Plan (Termelési terv)
  - (9) Renovation and Reforestation Plan (Felujitasi és ueltetesi terv)

SECRET

**SECRET/SECURITY INFORMATION****-5-**

11. The Forestry Center operated at a deficit. Forestry products were not sufficient to cover domestic needs, but in spite of this the Soviet Union claimed both lumber and fuel wood for reparations.

**Reorganization of May 1950**

12. The above described organization of the Forestry Administration was in force until May 1950, when another reorganization was begun. The new organization was to follow the Soviet pattern and its goal of "changing the face of nature". A Soviet adviser was assigned to the Forestry Center, with an office on the second story of the building in which the Forestry Center was located on Kunfi Zsigmond utca.

13. The Soviet method of forest economy consisted mainly in planting forests around cultivated fields in order to obtain more humidity and to prevent soil erosion.

14. The essence of the administrative reorganization consisted in the following:

- a. Individual enterprises, according to location, were to be united into groups under one administrative unit. By August 1950 only four enterprises were consolidated under one administrative center, namely those of Gyöser, Szeged, Debrecen, and Pecs.
- b. The approximately 60 warden stations were named enterprises, as the actual work of felling trees and lumbering was in fact done in the warden stations.
- c. The staff of the Forestry Center, consisting mostly of forestry engineers and clerical personnel, was reduced from 400 to 110 persons. Some of the personnel were dismissed for political reasons, and others were transferred out of headquarters to jobs in the country at reduced salaries. In some cases inexperienced persons drawn from the workers' cadre were appointed in place of trained personnel dismissed for political reasons.
- d. EMERT, which had been subordinated to the Forestry Center, was now placed directly under the supervision of the Ministry of Agriculture. Its name was changed to Forest Chemistry (Erdoes Kemia).

**15. Reasons for the reorganization were:**

- a. Constant operational deficit.
- b. Lag in production.
- c. Lack of manpower, i.e., lumberjacks and forest laborers.
- d. Incorrect price calculation.
- e. It afforded an opportunity for the Government to carry out a purge of politically unreliable personnel.

**Further Reorganization - 1952**

16. As a further sequence in the reorganization of the Hungarian Forestry Administration on the Soviet pattern, in 1952 the Forestry Center was made into a ministry called the Ministry of Forestry and State Properties (Allami Gazdasagok es Erdoes Miniszeriuma), with a Soviet adviser attached to the new ministry. Chief of the Forestry Center, Istvan TORNYAI, was named Minister.

**Annex A:**

- A. Organizational Chart of Hungarian Forestry Administration from May 1949 to May 1950.

**SECRET**

ANNEX A:

Hungarian Forestry Administration from May 1949 to May 1950

25X1

